

3. Microfinance and social mobilization: alternative pathways to grassroots democracy?

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Civil society and democracy: theoretical perspectives

Ideas about civil society have become an increasingly important strand in the current discussions within the international development community about democracy and good governance. Many of these ideas are rooted in western political and philosophical traditions and have been imported (not always successfully) into the international development discourse. There are, of course, competing conceptualizations of civil society within this broader literature, with competing implications for state–society relations. These can be broadly divided into liberal and radical traditions (Elliot, 2006; Lewis, 2004). As might be expected, it is largely conceptualizations drawing on the mainstream liberal traditions that have been favoured in the transfer to development contexts.

Within traditional liberal theory, civil society is seen as the realm of voluntary associations, and exists in the space between state, market and family. There is a strong normative tendency within this tradition: the view that civil society is a ‘good thing’ (Lewis, 2004). The work of Tocqueville has been particularly influential within this tradition.² He stressed principles of voluntarism, community spirit and independent associational life that characterized civil society as an important counterbalance to the state’s domination of society. More recently, the work of Putnam (1993a, b) promotes the idea of civil society as the ‘social capital’ of a nation, generating horizontal relationships of trust and reciprocity and capable of being harnessed for collective action in the interests of the wider society. He contrasts this with the vertical patron–client relationships that characterize kin-based communities and that promote a bounded form of morality, the privileging of narrow self-interest over the collective good.

Such ideas have underpinned a great deal of the more positive discussions about civil society that are a feature of the international development discourse. However, a further strand was added to these discussions, with the rise in the 1980s of the neoliberal agenda within the international donor community. Its critique of the rent-seeking

state and its privileging of private initiative led to public sector reforms designed to reduce the state's role in both the economy and service delivery and to promote market forces. Where markets failed to emerge or were characterized by imperfections, civil society organizations (CSOs), particularly development non-governmental organizations (NGOs), were seen as the next best alternative.

Civil society thus occupies two, somewhat different, roles in the international development agenda. CSOs have become an integral part of the donor-led 'good governance' agenda, based on assumptions about the 'elective affinity' between civil society and democracy (Betteille, 2000). Within the (frequently justified) neoliberal critique of bloated, inefficient and corrupt states, a proliferation of organized, voluntary and autonomous associations is viewed as critical to the task of building and consolidating the democratic sphere. In addition, it has become an integral part of the privatization agenda, representing a preferred alternative to state provision wherever the markets are either lacking or failing.

There is an alternative radical tradition in the literature on civil society – one that has been heavily influenced by the work of the Italian philosopher Antonio Gramsci and others. This tradition depicts civil society as a sphere comprising organizations that are separate from (but enmeshed with) the power structures of the state and market, and in which competing ideas about state and society struggle with one another (Davis and McGregor, 2000; Lewis, 2004). There is nothing inherently democratic about these organizations. Instead they are characterized by varying degrees of co-optation into existing power structures, and hence act in varying degrees to challenge or uphold the existing social order.

The question that these debates raise, therefore, is whether the nature of CSOs matters to their outcomes. Putnam (1993a, b), for instance, recognized that some associations are more productive of the values that support good government than are others; however, as Elliot (2006) points out, this was a minor caveat to his major theme of celebrating the positive contribution CSOs make to democracy, thanks to the social capital they produce: according to Putnam, such contributions could arise from purely social groups or sports clubs, as well as from associations that set out to promote democratic values. Similarly, Rosenblum (1994) argues that what prepare citizens for democracy are not the values held by associations, but the plurality of associations with permeable boundaries, as well as the ability of people to opt out of them.

Others, however, have argued that the vision and values of organizations matter to their achievements on the democratic front. Those

influenced by the work of Freire (1972) have stressed the need to build the organizational capacity of the poor and dispossessed, in order to enable them to mobilize politically for their rights as citizens. More recent arguments suggest that promoting the role of NGOs in service provision (as an alternative to the state) risks undermining their capacity to deliver on the governance front. On the one hand, unlike governments, NGOs are not authorities that can legitimately be expected to uphold the rights of poor people (Moore and Putzel, 1999). On the other hand, their service delivery function dilutes their capacity to maintain a watchdog function and to hold governments accountable. However, such arguments are valid only in certain contexts. In the context of Bangladesh, the alternative to NGOs is not a reasonably responsive and well-functioning state, but a highly corrupt and predatory one.

The NGO sector in Bangladesh

The aim of this chapter is to explore some of these questions from the perspective of the NGO sector in Bangladesh. Recent estimates suggest that around 22,000 NGOs are currently operating in the country. Most are extremely small and local in their activities. Our concern is with registered development NGOs: although there are only around 2,000 of these, they constitute a prominent and very visible strand of civil society in Bangladesh, and one that is far more active in the everyday lives of the country's poorer citizens than other strands of civil society. It has been estimated that they operate in more than 78 per cent of villages in what is still a largely rural society, and directly benefit around 35 per cent of the total population.

The NGO sector has undergone substantial change since the country's independence from Pakistan in 1971. Many NGOs were founded in the difficult years following the war of independence, and they adopted a radical approach to social change. They were influenced by the structural analysis of socio-economic inequality that is exemplified in some classic studies from that period (BRAC, 1983; Arens and van Beurden, 1977; Village Study Group, 1975). They were also inspired by the work of Freire (1972), with its emphasis on the 'conscientization', organization and mobilization of poor and dispossessed groups. Most relied on funds from international NGOs and foundations that shared their vision of social justice: Oxfam, the Ford Foundation, Canadian University Service Overseas, War on Want, Swallows, Action Aid and Diakonia.

By the end of the decade, NGOs had begun to undergo a series of changes. The onset of military rule in 1976 had led to a gradual narrowing of the civil society space for radical politics. NGOs that received